



USAID
FROM THE AMERICAN PEOPLE



Albania 2007

Third Quarter

Trade Developments¹

¹ This Report is made possible by generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of the authors (ACIT's staff) and do not necessarily reflect the views of USAID or the United States Government.

I. Main Trade Indicators

Total trade flows in the 3rd quarter 2007 amounted to 1,322 Mln USD (906 Mln Eur)², having increased by only 3 percent as compared with the preceding quarter while accumulating an increment of 40 percent as compared to the same quarter 2006 (see Table 1). Exports experienced a slight decrease, amounting at 271 Mln USD (186 Mln Eur) which is 2 percent lower than in the preceding quarter. Imports reached a value of 1,052 Mln USD (721 Mln. Eur), having increased by only 4.5 percent compared to the preceding quarter.

Exports accounted for 20.5 percent of the total trade flows and covered only 25.8 percent of the imports. Import coverage and exports share to total trade volumes are showing some positive trends. However trade deficit reached 781 Mil USD (7.5% higher than the second quarter of 2007), being expanded by 218 Mln USD as compared to the same period of the previous year. The value of exports and imports for the forth quarter 2007 are estimated respectively 305.4 Mln USD and 1,095.7 Mln USD (see box 1)

Table 1: Third quarter and 9-months trade flows, 2007

	Trade volume	Exports	Imports	Trade balance
	(in 000 USD)	(in 000 USD)	(in 000 USD)	(in 000 USD)
Jan-07	322,289.39	69,747.69	252,541.69	182,794.00
Feb-07	358,722.67	79,275.14	279,447.53	200,172.39
Mar-07	416,730.08	87,434.50	329,295.58	241,861.07
Apr-07	410,189.48	84,885.77	325,303.71	240,417.95
May-07	436,841.81	92,037.07	344,804.74	252,767.66
Jun-07	435,149.61	100,836.21	334,313.40	233,477.19
Jul-07	449,781.56	104,642.30	345,139.26	240,496.97
Aug-07	398,577.21	73,359.23	325,217.99	251,858.76
Sep-07	474,509.67	92,962.72	381,546.95	288,584.23
Quarterly trade flows				
First quarter 2007	1,097,742.13	236,457.34	861,284.80	624,827.46
Second quarter 2007	1,282,180.90	277,759.05	1,004,421.85	726,662.80
Third quarter 2007	1,322,868.44	270,964.24	1,051,904.20	780,939.96
Growth rate Q3-2007/Q2-2007	3%	-2%	5%	7%
Third quarter 2006	951,272.94	194,098.84	757,174.10	563,075.26
Growth rate Q3-2007/Q3-2006	40%	40%	39%	39%
9-months trade flows				
2007	3,702,789	785,180.00	2,917,609.00	2,132,429
2006	2,743,957.45	576,113.42	2,167,844.03	1,591,730.62
Growth rate (9-months' 2007/9-months' 2006)	35%	36%	34%	34%

II. Imports and Exports Structure

² All calculations in this Report are made by ACIT's staff, based on data collected from the General Directorate of Customs of Albania.

Most important elements of the exports structure in the third quarter 2007, in terms of their share to the total export value, kept being textile and footwear products, main metals and their products, mineral products as well as prepared food and tobacco (see figure 1). Exports with the highest growth rates, as compared to the second quarter 2007, were live animals, mineral products, vegetable products, weapons and munitions and chemical products (see table 2).

Box 1: Trade Forecast

Exports in the third quarter of 2007 were 6% lower than estimated. This change can be partly explained by seasonal fluctuations over the forecasted ones, and also by statistical discrepancies. Meanwhile, actual imports were 3.5% higher than the estimated ones. For the fourth quarter 2007 exports are estimated 305.4 Mln USD (which means a 13% increase compared to the third quarter). Imports are expected to reach 1,095.4 Mln USD and trade deficit is estimated 790 Mln USD

	Exports	Imports
Actual third quarter 2007	270.964,24	1.051.904,20
Trade flows (Mln USD)		
Forecasted, third quarter 2007 (Mln USD)	286.610,00	1.015.638,00
Change rate, actual/forecasted (%)	-6%	3,50%
Forecast fourth quarter 2007	305,482,00	1.095.726,00
October	99.898,00	358.078,00
November	101.824,00	359.534,00
December	103.760,00	378.114,00

Imports structure was dominated by mineral products, equipments and machineries, main metals and their products, prepared food, drinks and tobacco, and textile. As shown in table 3, products with the highest growth rates of imports in the third quarter 2007 were works of art, weapons and munitions, optic and photographic products, animal grease and oils, wood and its products, and mineral products. However, it is important to keep in mind that most of these products have a small share in the total imports.

Figure 1: Export structure, 3rd quarter 2007

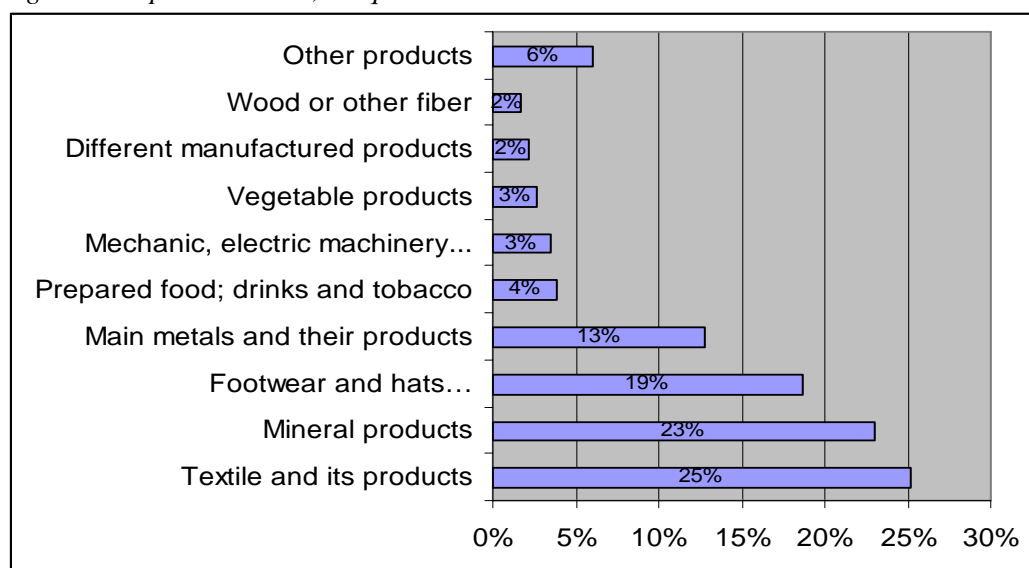


Figure 2: Imports structure, 3rd quarter 2007

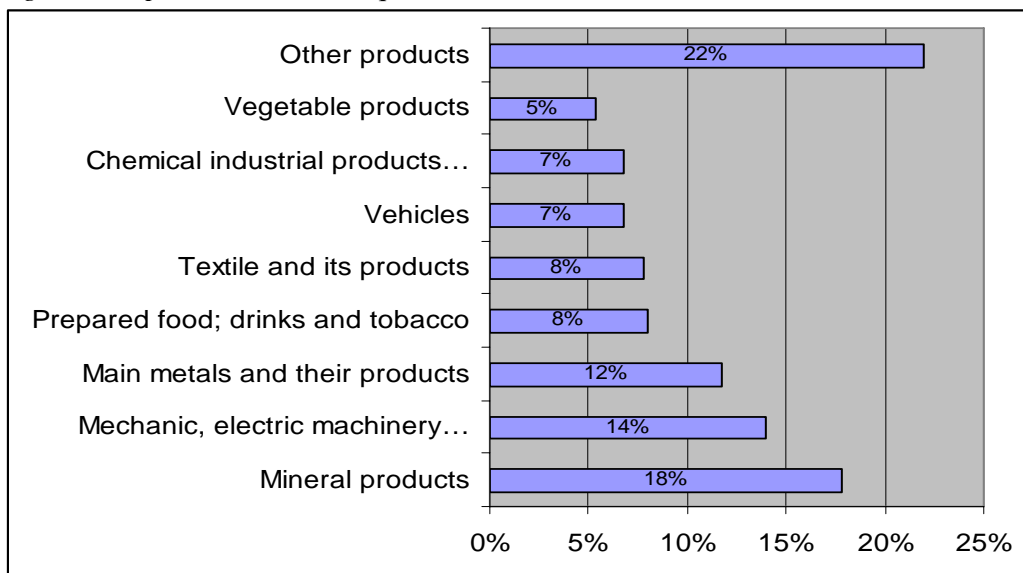


Table 2: Exports dynamics

Nr.	Description	3 rd quarter 06	2 nd quarter 07	3 rd quarter 07	Growth rate ¹	Growth rate ²
1	Live animals: animal origin products	1,577.89	1,427.77	2,682.63	87.9%	70.0%
5	Mineral products	16,210.57	37,507.61	62,444.18	66.5%	285.2%
2	Vegetable products	6,783.46	5,964.35	7,109.55	19.2%	4.8%
19	Weapons and munitions and their equipment	5.52	1,305.32	1,467.33	12.4%	26480.0%
6	Chemical industrial products or alloys	496.32	752.96	839.46	11.5%	69.1%
7	Plastic and its products; tire and its products	1,610.53	2,142.91	2,219.47	3.6%	37.8%
13	Stone, gypsum, cement products...	1,187.91	1,763.84	1,732.32	-1.8%	45.8%
9	Wood and its products; charcoal; cork and its prod	2,711.45	3,215.74	3,096.41	-3.7%	14.2%
11	Textile and its products	59,596.12	71,222.43	68,337.82	-4.1%	14.7%
20	Different manufactured products	4,694.84	6,287.02	5,891.46	-6.3%	25.5%
17	Vehicles	391.24	533.13	497.49	-6.7%	27.2%
4	Prepared food; drinks and tobacco	8,150.85	11,332.39	10,503.30	-7.3%	28.9%
10	Wood or other fiber, cellulose, paper or cartoon	3,678.13	4,822.22	4,468.08	-7.3%	21.5%
16	Mechanic, electric machinery and equipment	6,187.75	10,893.35	9,425.98	-13.5%	52.3%
14	Natural or cultivated pearls, jewelry...	296.17	669.53	577.56	-13.7%	95.0%
3	Animal grease and oils or vegetal and its products	169.17	309.75	263.52	-14.9%	55.8%
12	Footwear and hats, umbrellas and parasols, walking	49,377.67	63,252.87	50,576.76	-20.0%	2.4%
15	Main metals and their products	27,771.48	46,993.83	34,706.02	-26.1%	25.0%
8	Unprocessed and processed leather, coats and their	3,052.97	6,873.86	3,929.88	-42.8%	28.7%
18	Optic, photographic, cinematographic...	144.94	432.25	195.03	-54.9%	34.6%
21	Works of art, collection and antics pieces	3.84	55.92			
1	Live animals: animal origin products	1,577.89	1,427.77	2,682.63	87.9%	70.0%

¹ Growth rate as compared to 2nd quarter 07

² Growth rate as compared to 3rd quarter 06

Table 3: Imports dynamics

Nr.	Description	3 rd quarter 06	2 nd quarter 07	3 rd quarter 07	Growth rate ¹	Growth rate ²
21	Works of art, collection and antics pieces	106.06	8.80	229.08	2504.0%	116.0%
19	Weapons and munitions and their equipment	163.23	191.99	967.20	403.8%	492.5%
18	Optic, photographic, cinematographic	9,700.15	8,395.97	12,194.44	45.2%	25.7%
3	Animal grease and oils or vegetal	8,920.95	8,937.21	12,840.52	43.7%	43.9%
10	Wood or other fiber, paper...	16,987.45	16,680.69	21,987.12	31.8%	29.4%
5	Mineral products	113,222.67	153,221.20	187,472.18	22.4%	65.6%
13	Stone, gypsum, cement products...	31,887.97	33,602.20	40,078.10	19.3%	25.7%
2	Vegetable products	39,511.26	48,256.40	56,912.67	17.9%	44.0%
4	Prepared food; drinks and tobacco	65,137.64	71,888.40	84,009.84	16.9%	29.0%
1	Live animals: animal origin products	27,724.16	25,173.87	27,630.75	9.8%	-0.3%
20	Different manufactured products	13,579.42	22,368.69	24,330.09	8.8%	79.2%
16	Mechanic, electric machinery and equipment	97,060.53	136,281.00	147,078.86	7.9%	51.5%
7	Plastic and its products...	29,327.22	34,417.16	37,067.62	7.7%	26.4%
9	Wood and its products; charcoal;	15,050.54	18,415.35	18,738.69	1.8%	24.5%
17	Vehicles	44,132.95	71,023.48	71,403.88	0.5%	61.8%
6	Chemical industrial products or alloys	60,424.01	73,216.59	71,179.79	-2.8%	17.8%
11	Textile and its products	65,152.07	85,738.48	81,777.09	-4.6%	25.5%
15	Main metals and their products	83,819.67	148,566.70	123,793.46	-16.7%	47.7%
12	Footwear and hats, umbrellas...	18,590.61	20,387.24	15,843.00	-22.3%	-14.8%
14	Natural or cultivated pearls, jewelry...	314.58	758.21	566.34	-25.3%	80.0%
8	Unprocessed and processed leather	16,360.95	26,892.24	15,803.47	-41.2%	-3.4%
21	Works of art, collection and antics pieces	106.06	8.80	229.08	2504.0%	116.0%

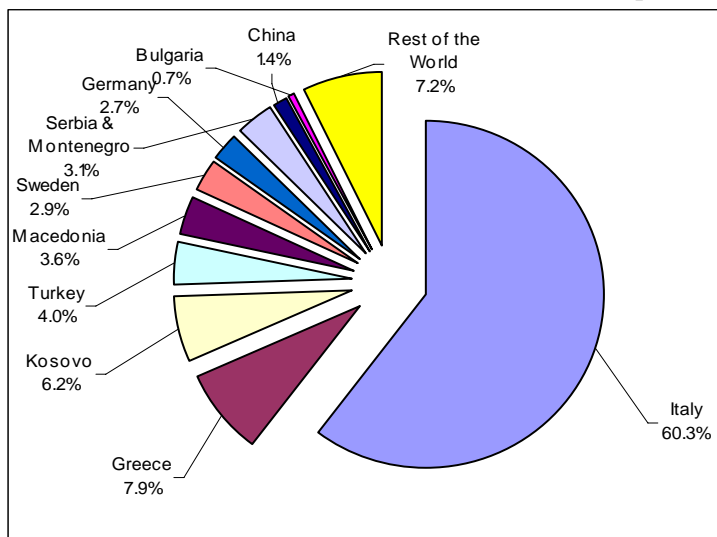
¹ Growth rate as compared to 2nd quarter 07

² Growth rate as compared to 3rd quarter 06

III. Geography of Trade

Albania's trade flows remain concentrated in the EU, accounting for 76.4% of total exports and 62.8 % of total imports. Italy and Greece represent the main destination countries of Albania's exports (figure 3).

Figure 3: The most important export destinations, 3rd quarter 07



Exports to our most important trading partners, Italy and Greece have decrease by 14.0% and 13.8% respectively as compared with the preceding quarter. Meanwhile exports to some countries of the region, and also to Turkey and Sweden have shown the highest growth rates, as revealed in table 4.

Table 4: Exports destinations dynamics in the 3rd quarter 07

Country	3 rd quarter 06 (000)USD	2 nd quarter 07 (000)USD	3 rd quarter 07 (000)USD	Share to total exports %	Growth rate ¹ %	Growth rate ² %
Italy	136,765.96	190,171.00	163,490.56	60.3%	-14.0%	19.5%
Greece	19,171.59	24,777.91	21,365.81	7.9%	-13.8%	11.4%
Kosovo	11,415.34	13,808.88	16,701.11	6.2%	20.9%	46.3%
Turkey	1,379.92	6,967.18	10,918.73	4.0%	56.7%	691.3%
Rep. of Macedonia	3,854.14	5,610.29	9,658.81	3.6%	72.2%	150.6%
Sweden	2,262.49	3,594.70	7,910.64	2.9%	120.1%	249.6%
Germany	7,418.48	6,216.00	7,249.17	2.7%	16.6%	-2.3%
Serbia & Montenegro ³	3,694.24	6,801.11	8,486.22	3.1%	24.8%	129.7%
China	893.62	7,685.03	3,845.78	1.4%	-50.0%	330.4%
Bulgaria	227.59	2,026.11	1,900.07	0.7%	-6.2%	734.8%
Rest of the World	7,015.47	10,100.83	19,437.33	7.2%	92.4%	177.1%
Total Exports	194,098.84	277,759.05	270,964.24	100.0%	-2.4%	39.6%

¹ Growth rate as compared to 2nd quarter 07

² Growth rate as compared to 3rd quarter 06

Italy and Greece remain also the main import partners of Albania (see figure 4), but imports concentration around these two trading partners is much weaker than exports concentration. Italy imports have decreased by 9.2% in comparison with the second quarter 2007, contributing together with some other countries such as Turkey, Ukraine for a slower increase rate of total imports during this quarter in comparison with the second quarter of 2007 (table 5).

Table 5: Import sources dynamics in the 3rd quarter 07

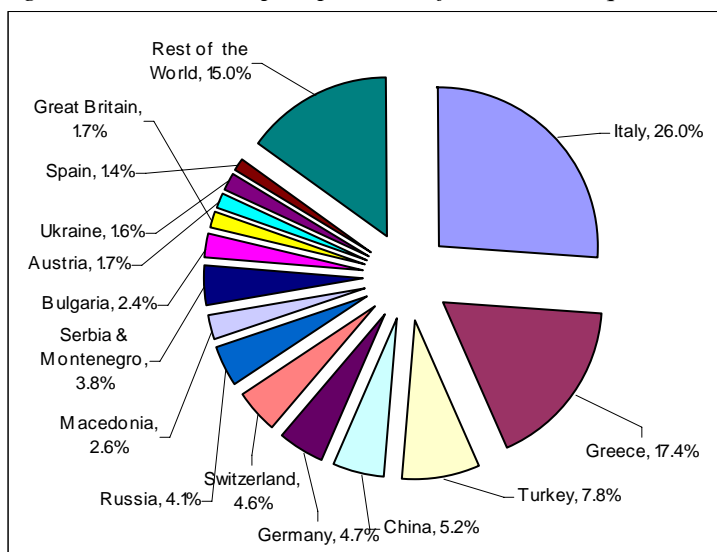
Country	3 rd quarter 06 (000)USD	2 nd quarter 07 (000)USD	3 rd quarter 07 (000)USD	Share to total imports %	Growth rate ¹ %	Growth rate ² %
Italy	211,402.57	300,965.23	273,235.66	27.2%	-9.2%	29.2%
Greece	138,095.03	152,681.24	182,506.64	18.2%	19.5%	32.2%
Turkey	57,115.86	84,694.43	81,726.17	8.1%	-3.5%	43.1%
China	38,486.35	46,764.82	54,916.62	5.5%	17.4%	42.7%
Germany	34,916.42	45,006.27	49,036.05	4.9%	9.0%	40.4%
Switzerland	7,931.99	48,293.63	48,388.28	4.8%	0.2%	510.0%
Russia	32,126.54	25,275.31	43,220.63	4.3%	71.0%	34.5%
Rep. of Macedonia	17,850.38	24,848.51	27,356.47	2.6%	10.1%	53.3%
Serbia & Montenegro	8,692.18	39,946.46	39,745.36	3.8%	-0.5%	357.3%
Bulgaria	26,004.04	22,320.24	25,610.59	2.5%	14.7%	-1.5%
Great Britain	7,488.79	14,535.23	18,339.56	1.8%	26.2%	144.9%
Austria	19,117.48	15,379.84	18,194.47	1.8%	18.3%	-4.8%
Ukraine	13,193.35	24,526.13	17,045.02	1.7%	-30.5%	29.2%
Spain	12,306.73	10,888.95	14,388.28	1.4%	32.1%	16.9%
Rest of the World	132,446.39	148,295.56	158,331.95	15.0%	6.7%	19.4%
Total Imports	757,174.10	1,004,421.85	1,051,904.20	100.0%	4.7%	38.9%

¹ Growth rate as compared to 2nd quarter 07

² Growth rate as compared to 3rd quarter 06

³ The trade data from these two countries are reported jointly from the General Directory of Customs until September 12, 2007.

Figure 4: The main import partners of Albania, 3rd quarter 07



IV. Trade of Agriculture Products

Agriculture and agro-processed exports in the third quarter amounted to 20 Mln USD which is just a share as small as 7.5 percent of the total exports. Main agriculture and processed food products exported during this quarter were oil seeds, meat products, beverages, sea food products, and tobacco (see figure 7). Imports of agriculture and processed food were 9 times higher than exports and valued at 181 Mln USD. As presented in figure 8, imports from this group of products were mainly cereals, drinks and beverages, tobacco, and vegetal oil.

Figure 5: Structure of agriculture exports, 3rd quarter 2007

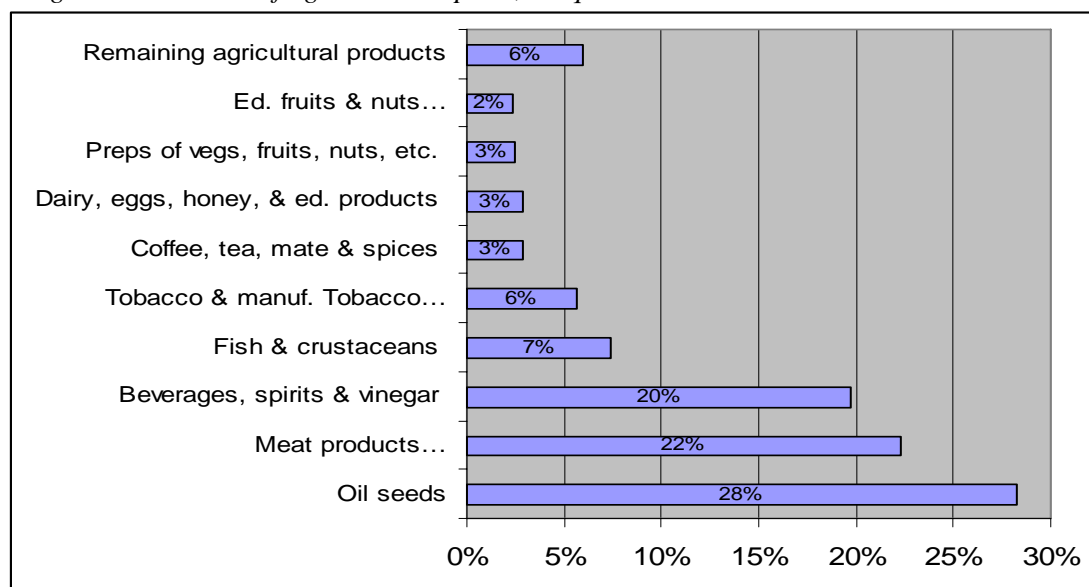
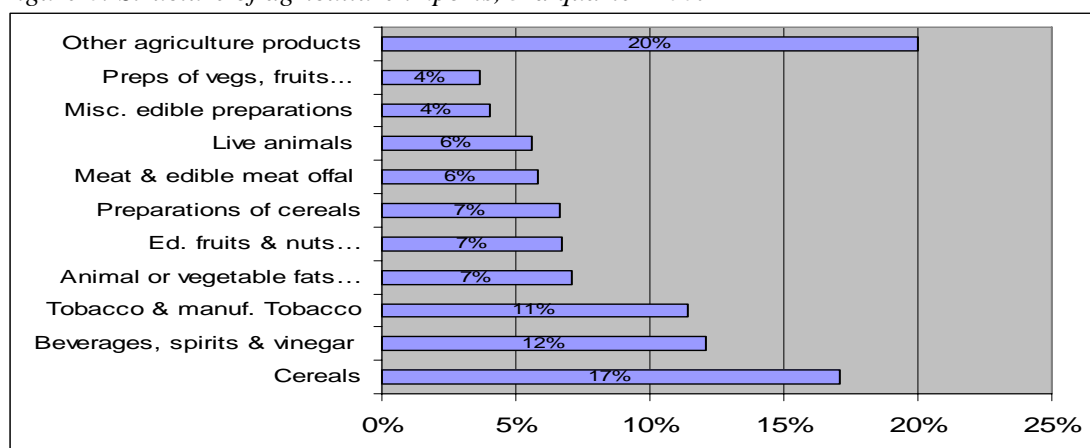


Figure 6: Structure of agriculture imports, 3rd quarter 2007



V. Inward Processing (IP) Trade

Inward processing exports in the 3rd quarter 2007 amounted to 163 Mln USD, while net exports (value added) from these sectors reached 51 Mln USD. The value of imports destined for inward processing was 112 Mln USD. The value added in the inward processing sectors counted for 31% of the exports value showing a positive trend and increasing by almost 100% as compared to the preceding quarter. This trend seems to have a seasonal nature and is also shown in the third quarters of previous years. Despite a decrease of imports and exports compared to the second quarters, we can notice an increase of the value added in the third quarters in the last years (see table 6).

Table 7 provides information on share and dynamics of ten most exported products in the inward processing sectors, showing that exports have decreased for all these products but iron and steel. A considerable contribution in this decline is given by the footwear industry, which share in the IP sectors and also the decrease rate are quite high. However, the ranking of the main products within these sectors remains the same as in the previous quarters, namely footwear products, textiles and apparel as well as metals and seafood products. As in the second quarter, iron and steel keep showing the higher growth rate in the third quarter.

Table 6: Inward Processing trade, 3rd quarter 2007

	IP imports (1)	IP exports (2)	IP value added (3)	Value added/export ratio (3/2)	Growth rate of IP value added	Growth rate of IP exports
1 st quarter 06	99,013.95	123,568.06	24,554.11	20%		
2 nd quarter 06	126,452.12	139,879.38	13,427.27	10%	-45%	13%
3 rd quarter 06	101,258.91	139,260.20	38,001.28	27%	183%	0%
4 th quarter 06	132,267.90	151,745.95	19,478.06	13%	-49%	9%
1 st quarter 07	128,351.23	170,570.42	42,219.19	25%	117%	12%
2 nd quarter 07	158,080.78	183,806.12	25,725.34	14%	-39%	8%
3rd quarter 07	112,683.55	163,119.49	50,435.94	31%	96%	-11%

¹Growth rate as compared to 2nd quarter 07, ²Growth rate as compared to 3rd quarter 06

Table 7: Structure of inward processing trade

		3 rd quarter 06	2 nd quarter 07	3 rd quarter 07	Share to total IP export	Growth rate ¹	Growth rate ²
64	Footwear, gaiters & the like	48,934.73	62,734.84	50,175.62	31%	-20%	3%
62	Articles of apparel, accessories, not knit or crochet	34,526.03	39,743.51	38,183.43	23%	-4%	11%
61	Articles of apparel, accessories, knit or crochet	23,359.33	29,695.32	28,245.27	17%	-5%	21%
83	Base metal articles	6,421.88	13,485.54	10,338.24	6%	-23%	61%
72	Iron and steel	4,343.28	8,490.21	8,955.79	5%	5%	106%
85	Machinery and mechanical and electrical appliances	4,562.84	6,811.89	5,576.10	3%	-18%	22%
16	Meat, fish and seafood preparations	4,313.13	4,724.30	4,591.36	3%	-3%	6%
48	Paper and paperboard	3,441.35	4,502.59	4,229.10	3%	-6%	23%
94	Furniture, lighting, signs	1,313.33	2,266.92	1,696.31	1%	-25%	29%
44	Wood and articles of wood	1,175.61	1,785.16	1,501.74	1%	-16%	28%
	Other	6,869.39	9,565.71	9,626.05	6%	-	-

¹Growth rate as compared to 2nd quarter 07

²Growth rate as compared to 3rd quarter 06

VI. Trade with EU-27

Export flows to the EU-27 reached 207.04 million USD (150.5 million Eur) in the third quarter 2007, experiencing a 10.8% drop as compared to the preceding quarter but a 22.0% growth as compared to the same period of 2006. Exports to the countries of EU-27 account for 76.4% of total Albanian exports. Exports to Italy account for 79.0% of the total exports to EU-27 but have experienced a decrease of 14.0% as compared to the preceding quarter. Exports to Greece account for 10.3% of total exports to the EU-27 and have also decreased by 13.8% as compared to the previous quarter, as shown in table 8.

Table 8: Exports flows to the EU-27, 3rd quarter 07

Country	3 rd quarter 06	2 nd quarter 07	3 rd quarter 07	Country share to total EU-27	Growth rate ¹	Growth rate ²
	(000)USD	(000)USD	(000)USD	%	%	%
Italy	136,765.96	190,171.00	163,490.56	79.0%	-14.0%	19.5%
Greece	19,171.59	24,777.91	21,365.81	10.3%	-13.8%	11.4%
Sweden	2,262.49	3,594.70	7,910.64	3.8%	120.1%	249.6%
Germany	7,418.48	6,216.00	7,249.17	3.5%	16.6%	-2.3%
Bulgaria	227.59	2,026.11	1,900.07	0.9%	-6.2%	734.8%
France	1,594.53	1,455.10	1,664.61	0.8%	14.4%	4.4%
Rest of EU-27	2,301.89	3,937.06	3,460.64	2%	-12.1%	50.3%
Total Exports to EU-27	169,742.52	232,177.89	207,041.50	100%	-10.8%	22.0%
EU-27 share to Total Exports	87.0%	84.0%	76.4%		-9.0%	-13.0%

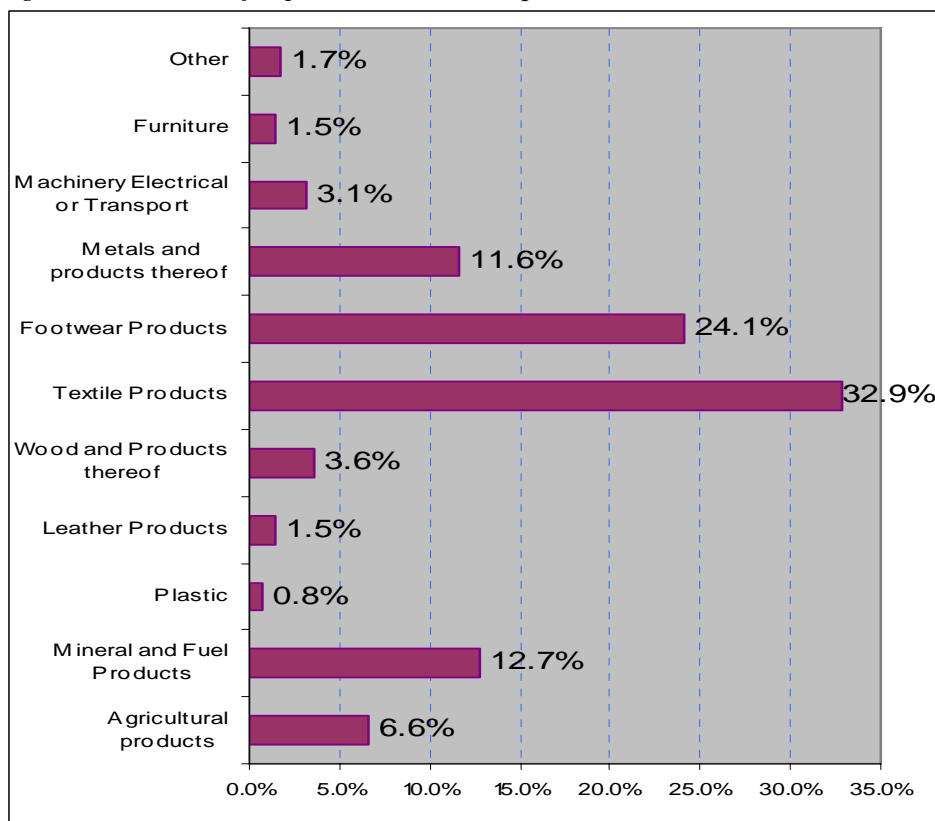
¹ Growth rate as compared to 2nd quarter 07

² Growth rate as compared to 3rd quarter 06

Exports to Sweden show the highest growth rates as compared to the preceding quarter and also to the same period of 2006. The decrease of exports as compared to the second quarter 2007 reflects a trend of seasonal oscillations (there was a 6.8% decrease in 2006 and 11.4% decrease in 2005).

The most exported group of products to the EU-27, textiles and footwear, account for respectively 32.9% and 24.1% of total exports in the 3rd quarter 2007, as shown in figure 7. Main metals and mineral products together account for 24.3% of total exports. Other important components of the structure of exports are agricultural products, wooden products such as raw wooden materials but also furniture.

Figure 7: Structure of exports to EU-27, 3rd quarter 07



Imports originating from the EU-27 countries have experienced a growth of 4.9% as compared to the preceding quarter reaching 660.8 million USD (480.4 million Eur). They account for 62.8% of total imports of Albania. The most significant partners remain Italy and Greece, while imports from Great Britain, Czech Republic and Poland have experienced high growth rates (see table 9).

The most imported products in the 3rd quarter 2007, resulted machineries accounting for 25.2% of total imports from the EU-27 (see figure 8). This group of products is followed by agricultural products which account for 16.2%. Other significant imported group products are chemical and mineral product, but also textiles and metal products.

Statistics for exports and imports considering the all nine-month period, are provided in table 10.

Table 9: Imports flows from EU-27, 3rd quarter 07

Country	3 rd quarter 06	2 nd quarter 07	3 rd quarter 07	Country share to total EU-27	Growth rate ¹	Growth rate ²
	(000)USD	(000)USD	(000)USD	%	%	%
Italy	211,402.57	300,965.23	273,235.66	41.3%	-9.2%	29.2%
Greece	138,095.03	152,681.24	182,506.64	27.6%	19.5%	32.2%
Germany	34,916.42	45,006.27	49,036.05	7.4%	9.0%	40.4%
Bulgaria	26,004.04	22,320.24	25,610.59	3.9%	14.7%	-1.5%
Great Britain	7,488.79	14,535.23	18,339.56	2.8%	26.2%	144.9%
Austria	19,117.48	15,379.84	18,194.47	2.8%	18.3%	-4.8%
Spain	12,306.73	10,888.95	14,388.28	2.2%	32.1%	16.9%
Czech Republic	4,107.30	5,611.12	9,807.30	1.5%	74.8%	138.8%
Slovenia	7,398.84	8,973.06	9,362.33	1.4%	4.3%	26.5%
Hungary	9,290.82	10,594.87	8,919.98	1.3%	-15.8%	-4.0%
France	6,352.64	7,966.65	8,549.68	1.3%	7.3%	34.6%
Romania	16,515.43	4,970.60	8,546.15	1.3%	71.9%	-48.3%
Belgium	8,172.79	4,104.00	6,415.89	1.0%	56.3%	-21.5%
Holland	5,664.74	6,927.23	6,360.89	1.0%	-8.2%	12.3%
Poland	898.45	3,541.96	5,236.13	0.8%	47.8%	482.8%
Ireland	1,694.81	2,852.89	3,165.88	0.5%	11.0%	86.8%
Rest EU-27	11747.54972	12584.392	13202.0788	2.0%	4.9%	12.4%
Total Imports from EU-27	521,174.43	629,903.78	660,877.54	100.0%	4.9%	26.8%
EU share to Total Imports	68.8%	62.7%	62.8%		0.1%	-6.0%

¹ Growth rate as compared to 2nd quarter 07, ² Growth rate as compared to 3rd quarter 06

Figure 8: Structure of imports from EU-27, 3rd quarter 07

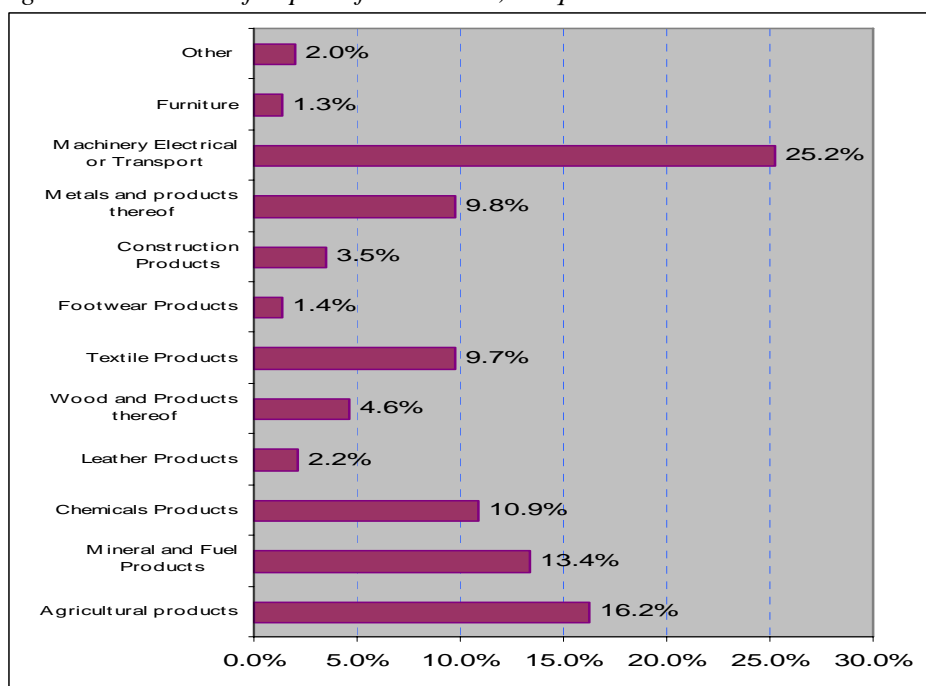


Table 10: Exports and imports volumes with the EU-27, 9-month period 2007

Exports				Imports			
Country	9-months' 2006	9-months' 2007	Growth rate 06-07	Country	9-months' 2006	9-months' 2007	Growth rate 06-07
	(000) USD	(000) USD	%		(000) USD	(000) USD	%
Italy	419,963.57	525,649.03	25.2%	Italy	616,285.69	830,786.03	34.8%
Greece	58,464.57	67,949.42	16.2%	Greece	367,289.72	460,656.24	25.4%
Germany	17,406.31	19,284.38	10.8%	Germany	97,788.69	134,302.03	37.3%
Sweden	3,957.74	13,675.15	245.5%	Bulgaria	75,924.82	65,436.89	-13.8%
France	4,418.00	4,891.46	10.7%	Austria	47,629.91	45,499.49	-4.5%
Bulgaria	2,838.04	4,311.79	51.9%	Great Britain	28,741.05	45,148.52	57.1%
Great Britain	168.28	1,958.44	1063.8%	Spain	34,935.47	36,388.12	4.2%
Spain	752.98	1,778.06	136.1%	Slovenia	26,763.94	27,532.24	2.9%
Austria	1,596.01	1,523.75	-4.5%	Hungary	19,982.64	25,776.38	29.0%
Romania	407.57	1,113.87	173.3%	France	18,573.64	25,438.95	37.0%
Rest of EU-27	4,698.05	3,190.98	-32.1%	Holland	19,190.39	22,632.69	17.9%
Total Exports to EU-27	514,671.13	645,326.35	25.4%	Romania	42,381.95	20,847.93	-50.8%
				Czech Republic	24,545.44	20,490.31	-16.5%
				Belgium	20,427.88	14,034.36	-31.3%
				Poland	3,354.30	12,514.08	273.1%
				Rest of EU-27	36,877.72	43,303.00	17.4%
				Total Imports from EU-27	1,480,693.27	1,830,787.26	23.6%

VII. Trade with countries of the region and other selected countries

Trade flows with the region (CEFTA 2006⁴) reached 126.5 million USD (92.07 million Eur), experiencing an increase of 101.9% as compared to the preceding quarter, which is 3 times higher than the increase of the total country's trade flows. Such an increase is reflected in an enlarged share of the region to the country's total trade flows, reaching 9.5% at the end of the period despite the downsizing caused by Bulgaria and Romania accession in the EU.⁵

Table 11: Exports to the countries of the region, 3rd quarter 07

Country	3 rd quarter 06	2 nd quarter 07	3 rd quarter 07	Growth rate ¹	Growth Rate ²	9 Months' 2006	9 months' 2007	Growth Rate 06-07
	(000)USD	(000)USD	(000)USD	%	%	(000)USD	(000)USD	%
Bosnia & Herzegovina	1,675.54	1,173.88	1,066.71	-9.1%	-36.3%	2,892.49	3,674.75	27.0%
Croatia	227.85	38.09	475.59	1148.7%	108.7%	476.29	574.75	20.7%
Kosovo	11,415.34	13,808.88	16,701.11	20.9%	46.3%	21,018.53	40,231.29	91.4%
Rep. of Moldova								
Rep. of Macedonia	3,854.14	5,610.29	9,658.81	72.2%	150.6%	9,412.95	17,896.62	90.1%
Serbia & Montenegro*	3,694.24	6,801.11	8,486.22	24.8%	129.7%	7,196.40	19,103.84	165.5%
Total Exports to the Region	20,867.11	27,432.25	36,388.46	32.6%	74.4%	40,996.66	81,481.24	98.8%

¹ Growth rate as compared to the 2nd quarter 07

² Growth rate as compared to 3rd quarter 06

⁴ Referring to all countries that signed the CEFTA 2006 agreement December 19, 2006.

⁵ The share in the 3rd quarter 2006, when Bulgaria and Romania were included in the region, was 7.02%.

Exports to the countries of the region reached 36.3 million USD (26.5 million Eur) in the third quarter 2007, having increased by 32.6% as compared to the second quarter 2007 and 74.4% as compared to the same period of 2006. Considering all the 9-months period, exports amounted to 81.4 million USD (60.3 million Eur), having increased by 98.8% as compared to the same period of 2006. The CEFTA share to the total Albania's exports has increased from 7.1% in September 2006 to 10.4% in September 2007 (see table 11).

Table 12: Imports from countries of the region, 3rd quarter 07

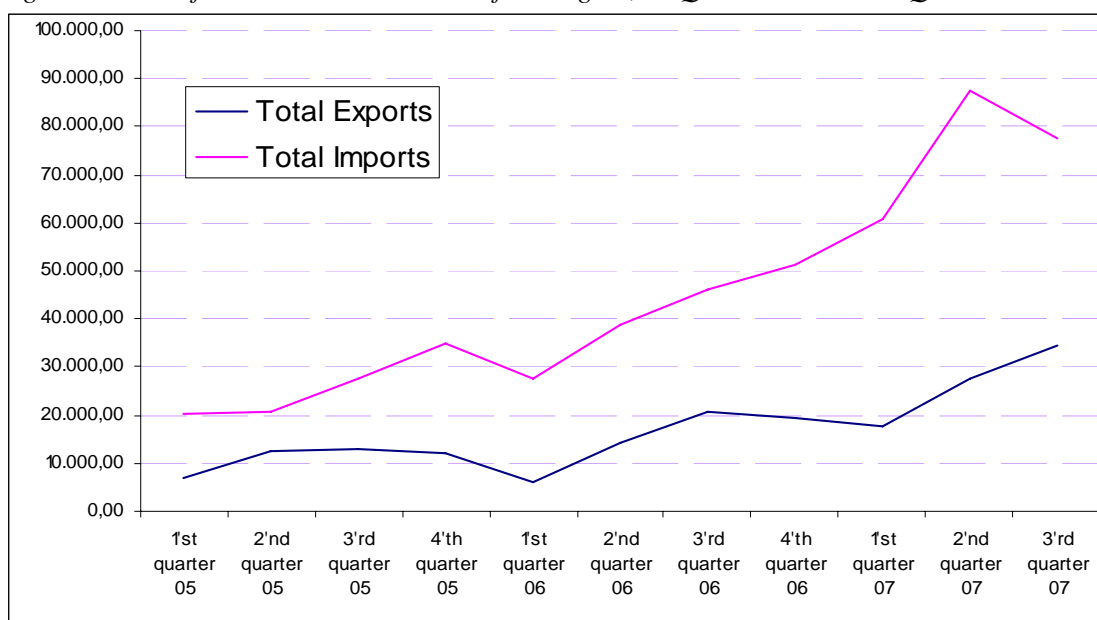
Country	3 rd quarter 06	2 nd quarter 07	3 rd quarter 07	Growth rate ¹	Growth rate ²	9 months' 2006	9 months' 2007	Growth rate 06-07
	(000)USD	(000)USD	(000)USD	%	%	(000)USD	(000)USD	%
Bosnia & Herzegovina	2,752.81	3,221.86	4,046.29	25.6%	47.0%	5,586.58	9,799.18	75.4%
Croatia	8,976.15	10,851.98	10,179.33	-6.2%	13.4%	26,254.79	27,374.77	4.3%
Kosovo	5,040.13	7,516.03	8,556.73	13.8%	69.8%	12,083.43	23,021.83	90.5%
Rep. of Moldova	2,673.54	1,008.31	258.48	-74.4%	-90.3%	3,007.97	2,861.36	-4.9%
Rep. of Macedonia	17,850.38	24,848.51	27,356.47	10.1%	53.3%	44,687.92	72,274.80	61.7%
Serbia & Montenegro	8,692.18	39,946.46	39,745.36	-0.5%	357.3%	20,762.40	103,181.00	397.0%
Total Imports from the Region	45,985.19	87,393.15	90,142.66	3.1%	96.0%	112,383.08	238,512.94	112.2%

¹ Growth rate as compared to 2nd quarter 07

² Growth rate as compared to 3rd quarter 06

Imports from the countries of the region reached 90.1 million USD (65.5 million Eur), experiencing an increase of 3.1% as compared to the preceding quarter, and an increase of 96.0% as compared to the same period of 2006. During the all 9-month period of 2007 imports from the countries of the region reached 238.5 million USD, showing an increase of 112.2% as compared with the same period of 2006, while their share to the total imports (2,917.6 million USD) was 8.1% (see table 12 and figure 9).

Figure 9: Trade flows with the countries of the region, 1st Quarter 2005 – 3rd Quarter 2007



Minerals and fuels together with metals account for the highest share of the structure of exports to the countries of the region. These group products were followed in rank by agricultural products that accounted for 14.6% of total exports to these countries as you can see in figure 10. The structure of imports from the countries of the region does not vary a lot from the structure of exports as you can see further in details in figure 1

Exports to the USA in the 3rd quarter 2007 amounted to 1.03 million USD, (755.2 million Eur) having increased by 38.1% as compared to the preceding quarter. Exports to the USA amounted to 2.92 million USD during the 9-month period of 2007, having increased by 11.4% as compared to the same period of 2006. Imports from USA dropped by 38.0% during the 3rd quarter 2007 reaching 7.4 million USD (5.4 million Eur) but increased in comparison with the same period in 2006 by 0.6%.

Albania has experienced a considerable increase of exports also to other countries such as Turkey, China, Russia, Switzerland, etc. (see table 13). Increase has also experienced imports from such countries as China and Russia as compared to the preceding quarter, while imports from Ukraine and Turkey show a decline. However imports were increased as compared to the same period of 2006 and when all the 9-month period is considered (see table 14).

Figure 10: Structure of exports to countries of the region 3rd quarter 07

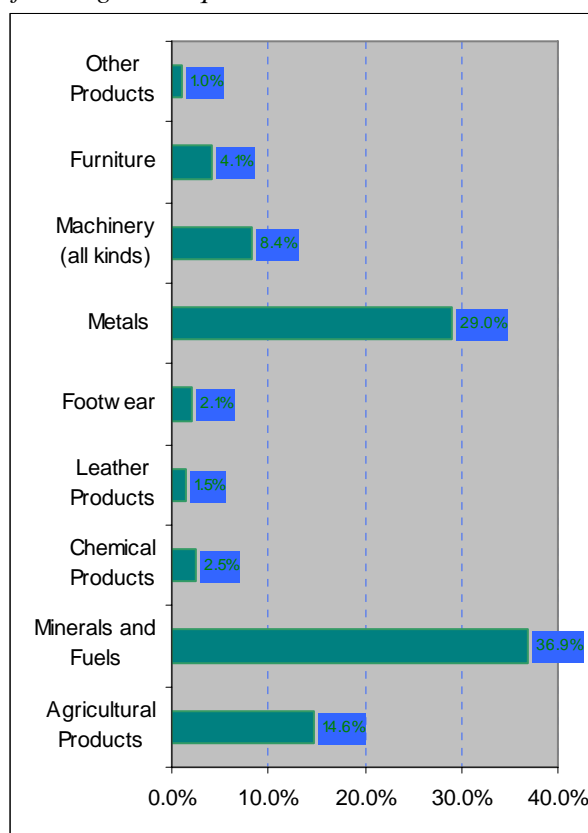


Figure 11: Structure of imports to countries of the region 3rd quarter 07

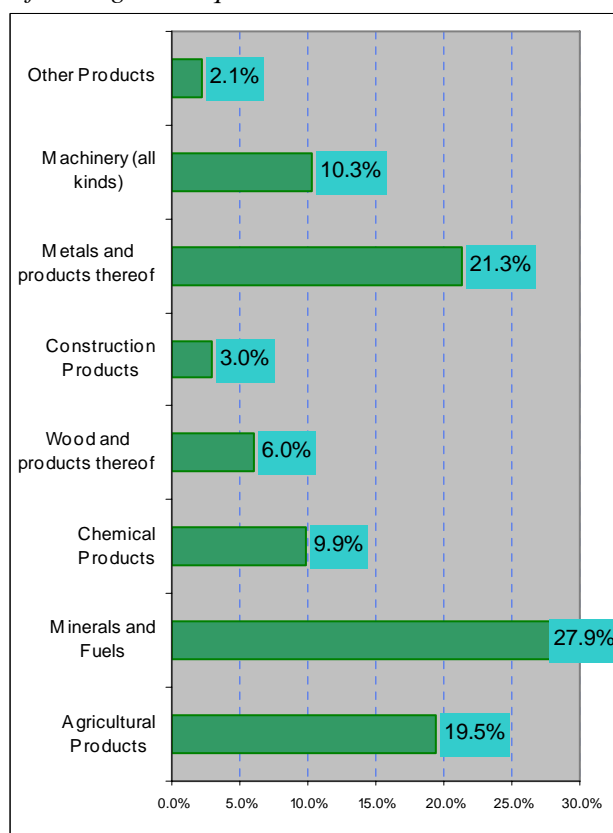


Table 13: Exports to other selected countries⁶, 3rd quarter 07

Country	3 rd quarter 06	2 nd quarter 07	3 rd quarter 07	Growth rate ¹	Growth rate ²	9 Months' 06	9 months' 07	Growth rate
	(000)USD	(000)USD	(000)USD	%	%	(000)USD	(000)USD	%
Turkey	1,379.92	6,967.18	10,918.73	56.7%	691.3%	7,271.86	20,318.05	179.4%
China	893.62	7,685.03	3,845.78	-50.0%	330.4%	5,598.44	19,949.59	256.3%
Russia	80.46	1,044.23	1,402.16	34.3%	1642.7%	84,90	2,739.87	3,127.2%
USA	711.65	749.41	1,034.91	38.1%	45.4%	2,625.80	2,925.66	11.4%
Switzerland	98.74	81.57	435.14	433.4%	340.7%	414.83	639.47	54.2%
Ukraine	5.43				-100.0%	5.43	6.45	18.7%
Exports to other not selected countries	319.38	1,621.48	9,897.56	510%	2999%	4,435.92	11,793.96	165.9%

¹ Growth rate as compared to 2nd quarter 07

² Growth rate as compared to 3rd quarter 06

Table 14: Imports from other selected countries, 3rd quarter 07

Country	3 rd quarter 06	2 nd quarter 07	3 rd quarter 07	Growth rate ¹	Growth rate ²	9 months' 06	9 months' 07	Growth rate
	(000)USD	(000)USD	(000)USD	%	%	(000)USD	(000)USD	%
Turkey	57,115.86	84,694.43	81,726.17	-3.5%	43.1%	16,753.49	234,518.36	41.5%
China	38,486.35	46,764.82	54,916.62	17.4%	42.7%	97,035.29	151,436.35	56.1%
Switzerland	7,931.99	48,293.63	48,388.28	0.2%	510.0%	37,487.48	153,030.27	308.2%
Russia	32,126.54	25,275.31	43,220.63	71.0%	34.5%	79,002.44	95,794.48	21.3%
Ukraine	13,193.35	24,526.13	17,045.02	-30.5%	29.2%	60,920.41	61,520.93	1.0%
USA	7,410.22	12,014.72	7,454.27	-38.0%	0.6%	36,291.00	23,170.28	-36.2%
other	33,750.18	45,555.89	48,133.02	6.0%	43%	112,383.08	238,512.94	112.2%

¹ Growth rate as compared to 2nd quarter 07

² Growth rate as compared to 3rd quarter 06

⁶ The countries shown in the table 12 and table 13 are selected based on their considerable share in the Albanian trade flows.